

FISCAL NOTE

SB 2311 - HB 2642

February 13, 2004

SUMMARY OF BILL: Authorizes local boards of education to enter into binding agreements pledging state education revenues for payment on debt issued for the school system by the local government or the state. Specifies that such pledges of state education revenues can also be used on bonds issued for Qualified Zone Academy projects. Requires the local boards to replace the funds as soon as possible from legally available funds. Specifies that the term of any school bonds for purchase of school buses shall not exceed eight years from the date of issuance or the maximum depreciable life of the bus, whichever is longer.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Decrease Local Govt. Expenditures - Less than \$100,000

Estimate assumes:

- a not significant increase in expenditures which can be handled within current budgeted resources for the administrative costs to the Department of Education associated with the agreements provided for in the bill.
- a decrease in the cost of borrowing for local governments as a result of pledging state funds. Impact depends on the number of districts choosing to enter into such agreements but is estimated to be less than \$100,000 statewide.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, appearing to read "James W. White".

James W. White, Executive Director

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